

Reuters

'Conservative Republican' at IRS defends treatment of Tea Party

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A manager from a U.S. Internal Revenue Service office in Cincinnati where staffers have been accused of unfairly subjecting conservative groups to extra scrutiny has said his agents were not influenced by any political agenda.

John Shafer, who described himself as "a conservative Republican," told congressional investigators he flagged the first application for tax-exempt status from a Tea Party-aligned group that he and a lower-level agent came across in February 2010 because it was a new, high-profile issue.

Asked if the lower-level agent sought to elevate the case to Washington because he disagreed with Tea Party politics, Shafer said that was not the case.

"We never, never discussed any political, personal aspirations whatsoever," he said, according to a transcript of his testimony reviewed by Reuters on Tuesday.

The Shafer transcript was released by the top Democrat on the House of Representatives committee leading a probe of the IRS, Representative Elijah Cummings, who said it debunked the Republican "conspiracy theories" that Washington political figures played a role in the IRS scrutiny of the conservative groups.

James Sallah, an attorney for Shafer, said his "testimony speaks for itself. It is clear that Mr. Shafer was carrying out his job without any political motivation."

The IRS controversy erupted on May 10 when a Washington IRS official apologized at a conference for the handling of tax-exemption applications submitted to the IRS by non-profit conservative groups between early 2010 and early 2012.

The furor has led to the ousting of the IRS chief by President Barack Obama, an FBI investigation and a congressional investigation.

Danny Werfel, named by Obama as the new IRS commissioner, is expected to testify to a congressional committee next week on how the agency plans to respond to the matter.

Leaks from the congressional investigation, now in its sixth week, have neither clearly supported allegations by Republicans of undue influence by Washington officials or the White House, nor ruled them out.

Some material has undermined the allegations by suggesting that the screeners - some of whom were managed by Shafer at the Cincinnati processing hub - acted largely on their own. Shafer said the application screeners on his staff knew when an issue could be difficult and might need to be evaluated by superiors.

'WELL AWARE'

"They were folks that had a lot of experience," he said. "So as they would be reviewing these initial applications, they would be well aware of things that they may not have seen before."

Shafer said he was in charge of the tax agency's first look at all tax-exemption applications sent to Cincinnati. Forms that needed a closer look were sent to another unit, he said.

"On an annual basis there would be upwards to 70,000 applications" submitted to the Cincinnati office, he said. "On a monthly basis there would be 4,000 to 5,000 applications that would go through my group."

Shafer said he did not recall ever discussing Tea Party cases at the manager level from February to May 2010.

After more than half a dozen lengthy interviews with IRS staff, the panel leading the probe, the Oversight and Government Reform Committee in the U.S. House of Representatives, aims to interview dozens more people in coming months, aides said.

Representative Darrell Issa, the Republican chairman of the committee, has released excerpts from some interviews with IRS workers, but resisted calls to release the full transcripts.

Issa's staff said Shafer played an early role in the Tea Party screening activities, so he was not aware of what happened once interaction with Washington began.

A Cincinnati official in another unit, Liz Hofacre, initially created a "Be on the Lookout" (BOLO) list containing the terms "Tea Party," "Patriot" and others. She said she was asked to do that by another Cincinnati superior, according to her transcript, also reviewed by Reuters.